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POLICY

PREPARATIONS FOR THE FIFTH PROGRAMMING CYCLE AND NET CONTRIBUTOR STATUS

Request for funding from Special Programme Resources for the Special Plan of Economic Co-operation for Central America

Note by the Administrator

1. In conjunction with the preparations for the fifth programming cycle, as described in documents DP/1990/8 and DP/1990/43 and Add. 1, a group of Central American countries has requested that support for the Special Plan of Economic Co-operation for Central America be continued during the fifth programming cycle. This request, which was formally submitted by the representatives of Honduras, Guatemala, Nicaragua, El Salvador and Costa Rica, was conveyed to the Administrator by a letter dated 21 May 1990.

2. The letter indicates that the request has been endorsed by the Latin American and Caribbean Group, as well as by a joint meeting of the European Economic Commission and Central American Foreign Ministers. The request is for an amount of $20 million over three years. The letter further proposes that funding of this $20 million be considered from the Special Programme Resources for the fifth programming cycle, as was the case during the fourth programming cycle, and that the Special Plan be considered as a thematic activity. The proposed activities, as described, seek to continue the support of the peace process in the region, focusing on the adoption of common policies geared to solving common emergencies and economic difficulties. Particular emphasis is to be given to the social area, including the support of efforts to eradicate extreme poverty.

3. The annex to the present document contains a copy of the letter to the Administrator from the representatives of Honduras, Guatemala, El Salvador and Costa Rica.

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Annex

New York, 21 May 1990

Sir,

We have the honour to write to you, on behalf of the Governments of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, to formally request that the Special Plan of Economic Co-operation for Central America should be included as a priority item in the allocation of Special Programme Resources during the fifth programming cycle, at the same level of funding as during the fourth programming cycle, for a further three years. Accordingly, we request the Administration to prepare an addendum to documents DP/1990/8 and DP/1990/43 before the Governing Council, which set out scenarios for allocating funds for the implementation of the programme.

As you will recall, on 20 April 1990 the President of Honduras and the Vice-President of Guatemala attended a meeting with the Administration at which a request was made for the inclusion of the item as requested above. Previously, the Central American Presidents had met at the beginning of April in Montelimar, Nicaragua, and carried out an assessment of the peace process that had begun with the signing of the Esquipulas II Agreement. At that meeting they also recognized the valuable work that had been carried out by the United Nations Development Programme to meet the targets and objectives of the Special Plan of Economic Co-operation, and reiterated the need for the Plan to be continued with financial support from UNDP.

Within the guidelines adopted by the Support Committee at its second meeting, held in New York in February 1990, the Ministers responsible for PEC decided that the Governments of Central America, in conjunction with the Latin American and Caribbean Group, would negotiate with the Governing Council of UNDP for the continuation of support for the Plan within Special Programme Resources during the fifth programming cycle and for the maintenance of at least the same volume of funds, in real terms, as during the fourth programming cycle.

At the most recent meeting between the Ministers for Foreign Affairs of Central America and those of the European Communities, held in Dublin, Ireland, the importance of renewed support for the Special Plan was recognized and the European Ministers for Foreign Affairs were urged to support the Central American request for financial support from UNDP for the Special Plan of Economic Co-operation for Central America within Special Programme Resources during the fifth programming cycle.

In view of the conviction within the region that the original period of three years would not be sufficient to complete the plan, a meeting was held on 7 May 1990 between the Central American delegations in New York and

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Administrator, United Nations
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New York, N.Y.

delegates from the community co-operating with the Plan in order to allow UNDP officials responsible for implementing the Plan to provide information on its current status, forecasts and anticipated requirements. Support for this request was expressed at that meeting, and it was decided that it would be appropriate for the Administrator to put a proposal to the Governing Council of UNDP at its next session.

On 16 May 1990 the Permanent Representative of Antigua and Barbuda to the United Nations, acting in his capacity as Chairman of the Latin American and Caribbean Group for the month, issued a declaration on behalf of the Group during the informal consultations over the fifth programming cycle, in which he expressed full support for this request. A copy of that declaration is attached for your information. During the informal consultations more than 10 countries supported this request and suggested that an addendum should be prepared by the Administration.

At the most recent meeting of the Central American Presidents in Montelimar, it was decided that the next summit meeting of Presidents would be held in June in Guatemala, and devoted to analysing the economic problems besetting the region. The Special Plan will undoubtedly constitute a cornerstone for the implementation of the policies that will be adopted. It is impossible to ignore the significance that UNDP's presence has acquired in Central America. The participation requested of it in the activities of the International Verification and Follow-up Commission in support of the peace process, with the backing of the United Nations Security Council, makes it essential for the Plan to continue to operate effectively until its targets and objectives have been achieved.

The Governments of Central America recognize that the Plan has given rise to a series of meetings with the objective of adopting common policies designed to solve the common, economic and emergency problems affecting the region. However, there are many activities which it has not yet been possible to complete, particularly with regard to the social sphere and efforts to eliminate extreme poverty. We feel that it would be regrettable if the Plan were unable to continue to operate after 31 December 1991, when the funding granted during the fourth cycle will come to an end, thereby leaving the Plan uncompleted and jeopardizing its positive achievements.

Consequently, the Central American delegations wish to repeat the request made by the President of Honduras and the Vice-President of Guatemala and formally request that the Special Plan of Economic Co-operation for Central America should be included as a priority item in the allocation of Special Programme Resources during the fifth programming cycle for a period of three years, subject to approval of the extended mandate at the forty-fifth session of the General Assembly.

Lastly, we request you to circulate the text of this letter among the members of the Governing Council prior to its session in Geneva.

Accept, Sir, the assurances of our highest consideration.

(Signed)
Emilia Castro de Barish
Chargé d'Affaires a.i. of
Costa Rica to the United Nations

(Signed)
Ricardo Castaneda Cornejo
Permanent Representative of
El Salvador to the United Nations

(Signed)
Francisco Villagran de León
Permanent Representative of
Guatemala to the United Nations

(Signed)
Javier Suazo Tome
Chargé d'Affaires a.i. of
Honduras to the United Nations

(Signed)
William Vigil Black
Chargé d'Affaires a.i. of
Nicaragua to the United Nations

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